

### LIQUOR CONTROL DIVISION Frequently Asked Questions

### Domestic Winery Licensees

#### Q. What is a Domestic Winery?

A. A Domestic Winery is a winery licensed and located in Montana that holds the appropriate basic permit issued by the Alcohol and Tobacco Tax and Trade Bureau (TTB) allowing them to produce, bottle, blend or otherwise manufacture wine at the licensed premises. (16-3-411, MCA)

#### Q. Can a Domestic Winery self-distribute to retailers?

A. Yes. A Domestic Winery may sell and deliver wine produced by the winery directly to licensed retailers if the winery uses its own equipment, trucks and employees to deliver the wine and the wine delivered does not exceed 4, 500 cases per year. (16-3-411, MCA)

#### Q. Do product labels have to be approved prior to selling in Montana?

- A. Yes. The licensee has two options for requesting approval of a label:
  - Send the request along with the TTB label approval to: PO Box 1712 Helena, MT 59624
  - File the request online by logging on to Taxpayer Access Point (TAP).

#### Q. Can a Domestic Winery provide samples at a winery?

A. Yes. A winery can sell wine it produces at the winery directly to the consumer for consumption on the premises or it may provide, without charge, wine it produces for consumption at the winery. (16-3-411, MCA)

# Q. Are there restrictions on the sample amount and hours that samples may be provided to consumer(s) at a winery?

A. Yes and No. A winery must adhere to the statutory requirement that all establishments licensed to sell alcohol be closed between the hours of 2 a.m. and 8 a.m. In addition, the statute does not have a specific sample amount, such as a brewery or distillery. However, the winery is still required to adhere to all laws and rules regarding the sales, service and consumption of alcohol. An example would be preventing sales to underage and/ or intoxicated persons.

# Q. Can a winery use a common carrier to deliver wine to licensed table wine distributors?

A. Yes. The boxes must be marked with the words: "Wine shipment from Montana-Licensed Winery to Montana Licensee". The licensed table wine distributor

must be in good standing and the wine distributor, its employee or agent must sign for receipt of the product. (16-3-411, MCA)

#### Q. Can a winery use a common carrier to deliver wine to a licensed retailer?

A. Yes. Section 16-3-411, MCA states the wine must be shipped directly from the producer's winery or bonded warehouse. Individual shipments are limited to three cases a day for each licensed retailer. The annual shipments may not exceed 4,500 cases.

## Q. Can a winery use a licensed table wine distributor to deliver wine to a licensed retailer?

A. Yes. The table wine distributor is responsible for the tax reporting requirements of shipments to licensed retailers. (16-3-411, MCA) A winery and a table wine distributor must have a written agreement of distributorship which complies with 16-3-416 & 417, MCA on file with the department prior to shipment.

#### Q. Can a winery sell wine it produces for off premises consumption?

A. Yes. A winery may sell wine it produces directly to the consumer for off premises consumption. (16-3-411, MCA)

#### Q. Are there tax and other reporting requirements for a winery that self-distributes?

A. Yes. A winery that distributes wine within the state shall maintain records of all sales and shipments. The winery shall, on or before the 15<sup>th</sup> day of each month, file a WIT return reporting the amount of wine that it shipped in the state during the preceding month. (16-3-411, MCA) Each quarter, the winery is required to report to the department the amount of wine manufactured or imported by the winery in the previous quarter and the winery's inventory. (16-4-107, MCA)

#### Q. Who pays the tax on products distributed within the state of Montana?

A. Any licensed Montana table wine distributor or licensed winery that delivers products to retailers is required to pay the tax on such products.

# Q. How can wineries that produce sacramental wine distribute wine to churches in the state of Montana?

A. Wineries who specialize in sacramental wine may ship to licensed table wine distributors who will then distribute to retailers for purchase by priests, rabbis, pastors, ministers, officials of the churches or other established religious organizations.

#### Q. Can a Domestic (In-State) Winery deliver to consumers?

A. Yes, in limited quantities of 18 9-liter cases to individuals who are least 21 years of age, if the winery holds the appropriate direct ship endorsement.

- Q. Do wineries have to receive approval before products and varieties of products are shipped in the state of Montana?
- A. Yes. Wineries must provide the department with copies of their labels for review and approval prior to shipping in the state of Montana.
- Q. May a domestic winery have a wine club and ship to customers?
- A. Yes. A domestic (In-State) winery can have a wine club and ship to their customers if the winery holds a direct ship endorsement. The winery may ship to consumers outside of the state of Montana but must adhere to the receiving states laws in this regard.